

NEGOTIABLE INSTRUMENT ACT

- 1. Which one of the following is not meant by the term 'Company' for the purpose of the Section 141 of the Negotiable Instruments Act, 1881?**
 - a) A firm
 - b) Anybody corporate
 - c) Any educational institute
 - d) Other association of individuals
- 2. Who among the following is empowered to take cognizance of any offence committed under Section 138 of the Negotiable Instruments Act, 1881?**
 - a) The Chief Managing Director of the Bank
 - b) The Banking Ombudsman
 - c) The Metropolitan Magistrate or Judicial Magistrate of the 1st Class
 - d) The Executive Magistrate
- 3. What procedure of trial is provided to the Court against the matter related with penalties if comes under any Section of the Chapter XVII of the Negotiable Instruments Act, 1881?**
 - a) Session Trial
 - b) Summary Trial
 - c) Warrant Trial
 - d) Summons Trial
- 4. Which one of the following is a prescribed period of limitation for taking cognizance to the Court against the offence committed under Section 138 of the Negotiable Instruments Act, 1881?**
 - a) 60 days from the date of writing the cheque and if informed to the Court in writing only
 - b) 90 days from the date of writing the cheque and if complaint made to the Court orally
 - c) 15 days from the date of writing the cheque and if informed to the Court written or orally both
 - d) 30 days from the date of cause of action arises if the complaint made in writing to the Court
- 5. In every trial, under Section 143 of the Negotiable Instruments Act 1881, an endeavour shall be made to conclude the trial:**
 - a) Within six months from the date of filing the complaint
 - b) Within nine months from the date of filing the complaint
 - c) Within twelve months from the date of filing the complaint
 - d) Within one month from the date of filing the complaint
- 6. Court shall not take cognizance of any offence punishable under Section 138 of the Negotiable Instruments Act, 1881 unless complaint is made within:**
 - a) One month

- b) Fifteen days
c) Two months
d) Three months
7. In which of the following cases the Supreme Court held that the provisions of Section 141 of the Negotiable Instruments Act, 1881 do not contain a condition that the prosecution of a company is sine qua non for prosecution of other persons. The liability of the Directors/Officers etc. is vicarious and will flow from the liability of the company/firm.
- a) Narsing Das Tapadia v. Govardhan Das Pattani
b) Saketh India Ltd. v. India Securities Ltd.
c) K.G. Sharma v. Pratap Autowheels Ltd
d) Mohd. Isaq Gulsani v. Rajamouli
8. Chapter XVII was inserted into the Negotiable Instruments Act, 1881 by the Amendment of the Act in the year:
- a) 1888
b) 1988
c) 1998
d) 1989
9. A complaint against an offence under Section 138 of the Negotiable Instruments Act:
- a) Must be in writing
b) May be in oral or in writing
c) Must be in writing supported by an affidavit
d) May be oral statement before magistrate
10. Match List I with List II and give the correct answer by using the codes given below:

List-I (Provisions)	List-II (Sections of Negotiable Act)
(a) Cognizance of offences	(i) Section 14
(b) Power of court to try cases summarily	(ii) Section 139
(c) Defences which may not be allowed in any prosecution under Section 138	(iii) Section 143
(d) Presumption in favour of holder	(iv) Section 142

Codes:

	A	B	C	D
a)	(iv)	(iii)	(i)	(ii)
b)	(i)	(ii)	(iii)	(iv)

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- c) (iii) (iv) (ii) (i)
d) (ii) (i) (iv) (iii)

11. The Provision, that “no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the First Class shall try offence punishable under Section 138”, exists under

- a) Clause (b) of Section 142 of the Negotiable Instruments Act, 1881
- b) Clause (a) of Section 142 of the Negotiable Instruments Act, 1881
- c) Clause (c) of Section 142 of the Negotiable Instruments Act, 1881
- d) Section 143 of the Negotiable Instruments Act, 1881

12. Which Section of the Negotiable Instruments Act, 1881 excludes the defence that the “drawer had no reason to believe when he issued a cheque that it may be dishonoured on presentment for the reasons stated in Section 138 of the Act”?

- a) Section 138
- b) Section 139
- c) Section 140
- d) Section 141

13. In trial of an offence under Section 138 of the Negotiable Instruments Act, 1881, the provisions of Sections 262 of 265 of the Code of Criminal Procedure

- a) Shall apply (Section 143)
- b) Shall not apply (Section 143)
- c) Sometimes shall apply (Section 143)
- d) None of the above

14. For the purpose of attracting the provisions of Section 138 of the Negotiable Instruments Act, 1881 a cheque must be presented to the bank

- a) Within a period of 3 months from the date on which it is drawn
- b) Within a period of 1 month from the date on which it is drawn
- c) Within a period of six months from the date on which it is drawn or within the period of its validity, whichever is earlier
- d) Within a period of 15 days from the date on which it is drawn

15. Which of the Section of Negotiable Instruments Act, 1881 provides that “where a person is nominated as a Director of a company by virtue of his holding any office or employment in the Central Government or the State Government, as the case may be, he shall not be held liable for an offence under Section 138 of the Act, committed by a company?”

- a) Proviso (one) to Section 141 (1)
- b) Proviso (two) to Section 141 (1)
- c) Sub-section 2 of Section 141
- d) None of the above

16. Section 138 of the Negotiable Instruments Act provides penal provisions in case of dishonour of cheque, if it presented to the Bank within a period of six months:

- a) From the date on which it is drawn only
- b) From the date on which payee makes demand
- c) From the date on which demand of payee accepted
- d) From the date on which it is drawn or within the period of its validity whichever is earlier

17. Which of the following proviso clauses of Section 138, Negotiable Instruments Act requires notice of fifteen days in case of failure of payment of cheque?

- a) Clause (a)
- b) Clause (b)
- c) Clause (c)
- d) Clause (d)

18. Which one of the following Sections of the Negotiable Instrument Act empowers to the Judicial Magistrate of the First Class or Metropolitan Magistrate to try the offence relating to dishonour of cheque for insufficiency etc.?

- a) Section 143(1)
- b) Section 143(2)
- c) Section 143(3)
- d) Section 143(4)

19. Written complaint should be made to the court from the date of cause of action, within a period of:

- a) 30 days
- b) 45 days
- c) 60 days
- d) 90 days

20. Which one of the following Sections of the Negotiable Instrument Act, 1881, deals with offence committed by a company under Section 138?

- a) Section 139
- b) Section 140
- c) Section 141
- d) Section 142

21. A demand notice in writing has to be given to the drawer by the payee under Section 138 of "The Negotiable Instruments Act, 1881, after receiving intimation from the Bank of Dishonour of cheque, within the period of:

- a) 15 days
- b) 30 days
- c) 60 days
- d) None of the above

22. Who, of the followings, are not liable for prosecution under Section 141 of The Negotiable Instruments Act, 1881?

- a) Any person nominated as director by virtue of holding of any office or employment in Central Government
- b) Any person nominated as director by virtue of holding of any office or employment in State Government
- c) Any person nominated as director by virtue of holding of any office or employment a central or state owned or controlled Financial Corporation
- d) All of the above

23. No court shall take cognizance of any offence punishable under Section 138 of the Negotiable Instruments Act, 1881 unless complaint is made, from the date of accrual of case of action, within:

- a) 15 days
- b) 30 days
- c) 60 days
- d) None of these

24. For the purpose of Section 141 of The Negotiable Instruments Act, 1881 'company' means:

- a) Anybody corporate
- b) A firm
- c) Other association of individuals
- d) All of the above

25. Match List I with List II and select the correct answer by using the codes given below the lists:

List I

List II

- | | |
|---|---------------------------------|
| a) Cognizance of offences | (i) Section 138 of N.I.A,1881 |
| b) Offences by companies & firms | (ii) Section 142 of N.I.A,1881 |
| c) Dishonour of cheque for Insufficiency of funds | (iii) Section 143 of N.I.A,1881 |
| d) Power of Court (d) to try cases | (iv) Section 141 of N.I.A,1881 |

Summarily

Codes:

- | | A | B | C | D |
|----|----------|----------|----------|----------|
| a) | (i) | (ii) | (iii) | (iv) |
| b) | (ii) | (iv) | (i) | (iii) |
| c) | (iii) | (i) | (iv) | (ii) |
| d) | (iv) | (ii) | (i) | (iii) |

26. Which one of the following court is empowered to try the offence relating to dishonour of cheque for insufficiency etc. Under the Negotiable Instruments Act, 1881?

- a) Judicial Magistrate the Second Class
- b) Judicial Magistrate the First Class
- c) Banking Ombudsman
- d) None of the above

27. Power of the Court to try cases summarily given under Section:

- a) 143 of the Negotiable Instruments Act
- b) 142 of the Negotiable Instruments Act
- c) 138 of the Negotiable Instruments Act
- d) 139 of the Negotiable Instruments Act

28. Section 141 of the Negotiable Instruments Act deals with the offences caused by the:

- a) Government Servants
- b) Individual and companies both
- c) Individual alone
- d) Companies

29. Court can take cognizance of any offence punishable under Section 138 of the Negotiable Instrument Act:

- a) Suo Motu
- b) Upon a complaint in writing made by the payee
- c) Upon a police report
- d) None of the above

30. The offence under Section 138 of the Negotiable Instruments Act, 1881 is to be tried by:

- a) A Judicial Magistrate of the First Class or Metropolitan Magistrate
- b) A Judicial Magistrate of the Second Class
- c) An Executive Magistrate
- d) A special Executive Magistrate

31. Who is entitled to make a complaint for taking cognizance of the offence under Section 138 of the Negotiable Instruments Act, 1881?

- a) A public spirited citizen
- b) The drawee bank
- c) Only the holder of the cheque
- d) All of these

32. What power is granted by Section 148 of the Negotiable Instruments (Amendment) Act, 2018 (No.20 of 2018) to the Appellate Court

- a) Appellate Court may order the drawer of cheque to deposit a minimum 20% additional amount of interim compensation

- b) 15%
- c) 25%
- d) 10%

33. Who as the drawer of cheque can be prosecuted for non-payment of the cheque due to insufficient funds under Section 138 of the Negotiable Instruments Act, 1881:

- a) Only a human being
- b) Only a body corporate
- c) Only a firm
- d) All of these

34. The offence of dishonour of cheques, for insufficiency, etc., of funds, in the account of the drawer, is punishable with:

- a) Imprisonment for a term which may extend to one year or with fine which may extend to the amount of the cheques, or with both
- b) Imprisonment for a term which may extend to two year or with fine which may extend to the amount of the cheques, or with both
- c) Imprisonment for a term which may extend to six months or with fine which may extend five hundred rupees, or with both
- d) Imprisonment for a term which may extend to five year or with fine which may extend five thousand rupees, or with both

35. If the person committing an offence under Section 138 of the Negotiable Instruments Act, 1881, is a company, the following shall be deemed to be guilty of the offence:

- a) A person who, at the time the offence was committed, was in charge of, and was responsible for the conduct of the business of the company and not the company
- b) The company, in its name
- c) A Director of the Company nominated by the Central Government
- d) A person, in charge of and responsible for the conduct of the business of the company, as well as the company

36. How many Sections and Chapters are there in the Negotiable Instruments Act, 1881?

- a) 140 Sections and 15 Chapters
- b) 147 Sections and 15 Chapters
- c) 149 Sections and 15 Chapters
- d) 150 Sections and 15 Chapters

37. In which Section of the Negotiable Instruments Act, 1881, "Cheque" has been defined?

- a) Section 5
- b) Section 6
- c) Section 7

- d) Section 8
- 38. According to Section 22 of the Negotiable Instruments Act, 1881, every promissory note or bill of exchange which is not expressed to be payable on demand, at sight or on presentment is maturity on the _____ after the day on which it is expressed to be payable.**
- a) Second day
 - b) Third day
 - c) Fifth day
 - d) Seventh day
- 39. Under Section 13 of the Negotiable Instruments Act, 1881, amongst the following instruments, which instrument does not fall within the ambit of a “negotiable instrument”?**
- a) Receipt
 - b) Promissory Note
 - c) Bill of exchange
 - d) Cheque
- 40. In which Section of the Negotiable Instruments Act, 1881, the liability of a drawer has been enshrined?**
- a) Section 29
 - b) Section 30
 - c) Section 31
 - d) Section 32
- 41. Under what Section of the Negotiable Instruments Act, 1881, the liability of drawee of a cheque has been provided?**
- a) Section 31
 - b) Section 32
 - c) Section 33
 - d) Section 34
- 42. In which Section of the Negotiable Instruments Act, 1881, the liability of an indorser has been narrated?**
- a) Section 34
 - b) Section 35
 - c) Section 36
 - d) Section 37
- 43. According to Section 63 of the Negotiable Instrument Act, the holder must, if so required by the drawee of a bill of exchange presented to him for acceptance, allow the drawee _____ (exclusive of public holidays) to consider whether he will accept it.**
- a) 24 hours

- b) 48 hours
 - c) 72 hours
 - d) 60 hours
- 44. Under Section 80 of the N.I.Act, 1881, if no rate of interest will be charged calculated on the amount due?**
- a) 6% per annum
 - b) 12% per annum
 - c) 18% per annum
 - d) 24% per annum
- 45. Under which Section of the Negotiable Instrument Act, 1881, it has been provided that every offence punishable under this Act shall be compoundable?**
- a) Section 144
 - b) Section 145
 - c) Section 146
 - d) Section 147
- 46. What is the Act No. of Negotiable Instrument (Amendments) Act, 2018?**
- a) Act No. 20 of 2018
 - b) Act No.19 of 2018
 - c) Act No.21 of 2018
 - d) Act No.18 of 2018
- 47. When was the Negotiable Instruments (Amendment) Act, 2018 (No.20 of 2018) was brought into force?**
- a) On 01.10.2018
 - b) On 01.08.2018
 - c) On 01.09.2018
 - d) On 01.01.2018
- 48. Which new Section have been added by the Negotiable Instrument(Amendment) Act, 2018 (No. 20 of 2018)?**
- a) Section 142-A and 147
 - b) Section 142-A and 148
 - c) Section 143-A and 148
 - d) Section 143-A and 147
- 49. How much amount of interim compensation will be payable under Section 143-A of the Negotiable Instrument (Amendment) Act, 2018 (20 of 2018)?**
- a) Not more than rupees five hundred
 - b) Not more than 25% of the cheque amount
 - c) Not more than 20% of the cheque amount
 - d) As per discretion of the Court

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50. Within how many days payment of interim compensation will be made under Negotiable Instrument (Amendment) Act, 2018 (20 of 2018)?

- a) Within 45 days of date of order
- b) Within 90 days of date of order
- c) Within 120 days of date of order
- d) Within 60 days of date of order

1.	C	21.	B	41.	A
2.	C	22.	D	42.	B
3.	B	23.	B	43.	B
4.	D	24.	D	44.	C
5.	A	25.	B	45.	D
6.	A	26.	B	46.	A
7.	D	27.	A	47.	C
8.	B	28.	D	48.	C
9.	A	29.	B	49.	C
10.	A	30.	A	50.	D
11.	C	31.	C		
12.	C	32.	A		
13.	A	33.	D		
14.	C	34.	B		
15.	B	35.	D		
16.	D	36.	B		
17.	C	37.	B		
18.	A	38.	B		
19.	A	39.	A		
20.	C	40.	B		